

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

April 15, 2021

1:02 p.m.

MEMBERS PRESENT

Representative Chris Tuck, Chair
Representative Andi Story
Representative Matt Claman
Representative George Rauscher
Representative Laddie Shaw
Representative David Nelson

MEMBERS ABSENT

Representative Geran Tarr

COMMITTEE CALENDAR

HOUSE BILL NO. 144

"An Act establishing the Alaska Military Affairs Commission; and relating to the duties and powers of the Alaska Military Affairs Commission."

- MOVED CSHB 144 (MLV) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 144

SHORT TITLE: ESTABLISH AK MILITARY AFFAIRS COMMISSION

SPONSOR(S): REPRESENTATIVE(S) HOPKINS

03/20/21	(H)	READ THE FIRST TIME - REFERRALS
03/20/21	(H)	MLV, FIN
04/13/21	(H)	MLV AT 1:00 PM GRUENBERG 120
04/13/21	(H)	Heard & Held
04/13/21	(H)	MINUTE (MLV)
04/15/21	(H)	MLV AT 1:00 PM GRUENBERG 120

WITNESS REGISTER

MATT BORRON, Executive Director
Association of Defense Communities
Washington, D.C.

POSITION STATEMENT: Testified in favor of HB 144.

REPRESENTATIVE GRIER HOPKINS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, answered questions and provided information on HB 144.

JOMO STEWART, Energy and Military Project Manager
Fairbanks Economic Development Corporation
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 144.

MIKE COONS
Palmer, Alaska

POSITION STATEMENT: Testified in opposition to HB 144.

CAROLINE SCHULTZ, Policy Analyst
Office of Management & Budget
Office of the Governor
Juneau, Alaska

POSITION STATEMENT: Provided information and answered questions on HB 144.

ACTION NARRATIVE

[1:02:13 PM](#)

CHAIR CHRIS TUCK called the House Special Committee on Military and Veterans' Affairs meeting to order at 1:02 p.m. Representatives Rauscher, Nelson, Story, Shaw, and Tuck were present at the call to order. Representative Claman arrived as the meeting was in progress.

HB 144-ESTABLISH AK MILITARY AFFAIRS COMMISSION

[1:02:57 PM](#)

CHAIR TUCK announced that the only order of business would be HOUSE BILL NO. 144 "An Act establishing the Alaska Military Affairs Commission; and relating to the duties and powers of the Alaska Military Affairs Commission."

[1:03:09 PM](#)

CHAIR TUCK opened invited testimony on HB 144.

[1:03:38 PM](#)

MATT BORRON, Executive Director, Association of Defense Communities, testified in favor of HB 144. He began his testimony by speaking about the Association of Defense Communities (ADC), to give the committee members background about why he found HB 144 important. He shared that ADC is a 50-year-old organization, and a non-profit based in Washington, D.C. He explained that the Department of Defense (DoD) could close military bases without having to go to Congress to ask for a base realignment and closure (BRAC); DoD could just padlock the gate, throw the community the keys and say, "Good Luck," he explained. This happened quite a bit, he continued, and as a result many communities across the country where this had happened got together and asked what to do about the [large loss of jobs and community infrastructure]. He said that is how ADC got its start, as cities and counties were looking at redevelopment redevelop issues such as land transfers, environmental clean-up, and economic redevelopment.

MR. BORRON said fast-forwarding to today, ADC's communities are almost exclusively those that host active military bases. He said the association has members on most bases in the United States, including cities, counties, a chamber of commerce, or an organization like the Tiger Team out of Fairbanks, Alaska. He explained that in communities it became apparent that [military] bases couldn't be taken for granted, and that advocacy and partnership work had to be done full time. He argued that [a military] installation had to be treated like [an Amazon headquarters] or a Ford Motor Company plant; it had to be looked at through the lens of economic development.

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MR. BORRON said ADC's members have become sophisticated. He cited the Fairbanks North Star Borough (FNSB) and the community organizations, and the work being done there to support the [military] installations. He offered that he had visited Fairbanks twice and could attest to the great work being done there. He shared that communities across the country are investing increasing amounts of resources and dollars into the defense sector. He clarified that this doesn't necessarily mean looking at the base, but looking at infrastructure needs, schools, spouse employment opportunities, roads, workforce development, university partnerships, possible research contracts, and other types of missions an area could attract. He said that at the end of the day, it is about economic development; it is not about playing defense and waiting for a BRAC to throw something together ad hoc. Rather, this is about

attracting new missions, which Alaska is right now in a position to do, he stated, because of the state's strategic location. He argued that there is an opportunity to build upon that.

MR. BORRON said this requires coordination not just at the local level, but at the state level. All of the defense industry and defense missions must be coordinated, along with issues like housing and schools, he said, and DoD is only going to do so much.

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MR. BORRON said that as communities across the country started looking at these issues, more and more they created state level offices responsible for this coordination. He stated that the committee members have a report ADC did a few years ago that found that 35 states have an entity like [the one proposed under HB 144]. He said he believed there were more today, probably in the forties. He noted that some are more advanced than others, but it is absolutely critical. He said someone must be the point person when talking with DoD and the defense contractors, and someone must be the person who can be turned to when DoD has an issue. This person would be the mover and shaker at the state level to make sure all the communities that host the installations in Alaska are on the same page, especially when it comes to state legislative issues, he said, such as spouse licensure and other key economic development and workforce related issues. Mr. Borron said usually it starts with a commission, a legislative body created by the state to do this on a volunteer basis, to work with the adjutant general (TAG) or other offices. The evolution, he continued, and the point he encouraged the committee members to get to, is the creation of a full-time position, whose day job is looking at how to increase and improve the defense sector of Alaska.

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MR. BORRON said it is a big growth opportunity [for Alaska]. He stated that DoD is looking at a lot that is not strategic right now, such as quality of life, housing, [and] child education. He advised that it doesn't take too many issues for a community or a state to get a bad reputation about not being able to provide those things. He clarified that he wasn't saying Alaska had those issues, and members in the service still like to go to Alaska. He reiterated that if Alaska doesn't have that person who can quickly turn and address issues that DoD raises, it can become a challenge. He cautioned that narratives can be built

quickly and can have a detrimental impact on future growth. He spoke about the economic impact reports and added that it is billions of dollars worth of investment in the state each year that DoD brings. He reiterated that at the end of the day, the state would need a point person to coordinate that, especially in such a large geographical state.

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REPRESENTATIVE RAUSCHER inquired whether there were other teams available in the state like the Tiger Team in Fairbanks.

CHAIR TUCK responded that he believed the Tiger Team was unique to Fairbanks and invited the bill sponsor to comment.

REPRESENTATIVE GRIER HOPKINS, Alaska State Legislature, as prime sponsor of HB 144, confirmed Chair Tuck's answer and said the Tiger Team is Fairbanks specific and has stakeholders at the local municipal level. He shared that it was brought on by a mayor about 10 years ago. He said he didn't know off the top of his head [if there were other similar teams], but he didn't believe so. He said the Tiger Team is advocating for the Fairbanks area and borough specifically. This [legislation] would extend that model state-wide to bring stake holders together and make certain there is the economic development voice, he concluded.

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REPRESENTATIVE STORY asked if most of these associations have paid staff, and how many is typical.

MR. BORRON responded that just over half of the states have a paid person, usually no more than two or three, he answered. Based on a state with a similar military footprint to [Alaska], he suggested it would be one person within a system. In response to a follow up question, he said that without a [state-appointed] person in charge, communities are left to their own devices and end up hiring their own consultants, their own lobbyists, and talking about their own missions, and "that can come at a cross purpose with other communities ... in a single state." Issues like COVID-19 and climate change must be looked at as state regional issues, he said.

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REPRESENTATIVE SHAW asked if there was any reason that [the legislature] couldn't blend some of the [existing] commissions together. Considering the overlap between what the Alaska Civilian Armed Services Team (ACAST) does, the Alaska Military Affairs Commission (AMAC) [as proposed by HB 144], and the Joint Armed Services Committee do state-wide. He said he understood that value of this commission tends to relate more to the economic benefit and social benefit, which he argued crosses all these commissions. He asked if there would be a benefit if somewhere along the way [the legislature] could see a blending of all of these into one, and that way [the legislature] could cut back on the overhead and still accomplish the same goal.

MR. BORRON answered stating, "Absolutely." He suggested looking at Alaska's defense sector as a whole. That doesn't just mean the industry and DoD, he clarified, but someone who can look at the veterans, the families, and the guard holistically. He argued that there needs to be a single body or office that can do that.

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JOMO STEWART, Energy and Military Project Manager, Fairbanks Economic Development Corporation (FEDC), stated that FEDC supports HB 144 and the establishment of a Military Affairs Commission on behalf of Alaska. He shared that FEDC did an economic analysis many years ago that indicated that [Alaska's] own military installations were a sizable component of the economy, up to about one third. He added that anecdotally, research showed that statewide, military installations accounted for about one-tenth of the economy. He shared that that historical and anecdotal research was backed up recently by Nolan Klouda, who previously testified before the committee and had come up with similar numbers to the economic impact of the military across the state.

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MR. STEWART said that for a long time FEDC has worked to secure its military assets, recognizing their importance to the local economy, while also trying to figure out how it can build upon the [military] industry for the greater benefit of the state. He stated that the Tiger Team has come up several times as a potential model for a military affairs commission. Prior to its existence, an Alaska governor accepted an offer from some high-ranking military serve as an advisory council, which became the Alaska Military Force Advocacy and Structure Team (AMFAST). He

described AMFAST as having been comprised of individuals with insight into Alaska's economy, the workings of the military all the way up to and through the Pentagon, and the interactions between the military leadership and the civilian leadership of the military. He said AMFAST offered advice on how to protect the military assets in Alaska, but also to build upon them as Alaska sought more missions, and the expansion of missions and bases.

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MR. STEWART suggested that what the committee members were talking about was to go back to that model, recognizing the importance that the military plays in the state, and recognizing the opportunities it offers the state. He argued that there is a distinction between ACAST, "the old AMFAST," and what the committee is talking about with AMAC, in terms of long-term planning, closer coordination with communities, recognizing the commercial potential relative to the military, and giving good advice to the legislature and the governor's office on how all those things can interplay as a benefit or to avoid risk regarding those assets.

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MR. STEWART, regarding the proposed legislation, expressed that his two relatively minor concerns were how the legislature would constitute the commission and how the good advice would be used. He said there are some good people across the state, so the human resources were available to well constitute a military affairs commission. He then emphasized that his major concern upon hearing the committee consider not staffing or providing resources to this group, was whether resources would be made available to the commission.

MR. STEWART commented that he wasn't certain there was a specific allotment to support the Tiger Team, but he did know that the mayor's staff does attend [the meetings], so there is a tangential resourcing. He related that he attends [the Tiger Team meetings]. The borough is a major funder for FEDC, he explained, and his boss is part of the team. He emphasized that [military] is a multi-billion-dollar industry that has brought multi-billions into the state of Alaska. He argued that the committee members don't need to be "sheepish or shy about resourcing a commission that is both looking to safeguard those billions of dollars that are currently being brought in to and

generated across the state of Alaska, and then chasing billions of dollars more."

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CHAIR TUCK asked Mr. Stewart whether he had a suggestion that he would like to see [in the proposed legislation].

MR. STEWART replied that he didn't have a direct suggestion. He commented on the Tiger Team's members having had former military experience. He said he read the roster of ACAST and noted it was a different constitution, which is not necessarily a bad thing. He argued that part of the purpose for this kind of grouping is to be able to take that solid knowledge base and put it to the best use possible for economic development purposes within the state of Alaska. He summarized his remarks saying it was important to put the best people forward for the enterprise.

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MR. STEWART, in response to being asked to address the question about overlap, which had been asked by Representative Shaw of a previous speaker, told Representative Shaw he agreed with the bill sponsor that there are some distinct differences between the different groups. He agreed that there was some overlap, as well, but he stressed that there are some real differences. He said he would leave it to the committee members to get the maximum value from each of the organizations. He encouraged the legislature and the governor's office to properly resource the commission.

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REPRESENTATIVE HOPKINS agreed with Mr. Stewart about the importance of staffing these positions in the commissions, because of the scope, the sheer size of the state, and the different information that comes in regarding military developments within Alaska. He opined that the conversation during this and the previous committee hearing on HB 144 was not whether the commission should be staffed, but rather: "Should we create another fulltime position to specifically staff ... this commission?" He said the fiscal note describes a fulltime employee. He stated his belief that the Office of the Governor has the capacity to dedicate a staff to this commission as it stands now, either by sourcing from the economic development team within the Department of Commerce, Community & Economic Development (DCCED) or charging specific staff member within the

Office of the Governor, either fulltime or as part of his/her duties. He clarified that creating another position in the governor's office would be of concern when attempting to keep the fiscal impact of new positions in the state down during the current fiscal climate.

REPRESENTATIVE HOPKINS touched on what Mr. Stewart and Mr. Borron said regarding coordination of municipal and university economic development seats. He explained "Having that coordination outside of what the initial scope is, is what's critical for the HB 144 commission being created." Additionally, he stated, this would be in statute. He argued that ACAST does very good work, but only by administrative order, and it restarts itself with each new governor. He advised that the commission created under HB 144 would provide for more long-term, cohesive planning.

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REPRESENTATIVE RAUSCHER asked whether the other previously discussed military entities could be absorbed into the commission that would be created under HB 144.

REPRESENTATIVE HOPKINS explained that the way the bill is structured now, it would not eliminate the Joint Armed Services Committee, which exists under statute, and the administrative order creating ACAST is under the Office of the Governor. He stated that those charges could work together in collaboration where if one is not needed it could be addressed further into the future. He said Representative Shaw had put it clearly at the end of the last meeting that AMAC would have an economic development goal with coordination with municipalities, local entities, and state government, and that goal made AMAC stand apart from the goals of the Joint Armed Services Committee and ACAST.

REPRESENTATIVE RAUSCHER asked it followed there were statistics or data that would give the committee members assurance that [military councils] produce what they are intended to do.

REPRESENTATIVE HOPKINS responded that he would be happy to work with Mr. Borron and ADC to see if there is information following the committee meeting.

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REPRESENTATIVE STORY posed a clarifying question about whether Representative Hopkins believed the Office of the Governor had the current capacity to take someone from its EDC to be tasked with this [position].

REPRESENTATIVE HOPKINS responded yes. To Representative Rauscher's previous question about past successes, he listed many of the Tiger Team's successes, including: bringing the entities together in Fairbanks to push back on warm storage, putting together the effort to get the F-35 squadron to Fairbanks; continuing the mission to make sure that the housing of veterans and their families would be effective and ready and that the community had the efforts it needed; and bringing in the Grey Eagle drone force, as well as the Apache Wing that has come to Fort Wainwright in Fairbanks, the KC-43's, and the new refueler that is stationed up at Eielson Air Force Base. He said he would provide some anecdotal examples.

REPRESENTATIVE STORY asked if the fiscal note on the bill would be changed.

REPRESENTATIVE HOPKINS commented that he believed someone from the administration should be on the line to talk about the issue.

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CHAIR TUCK opened public testimony on HB 144.

[1:37:04 PM](#)

MIKE COONS questioned if the legislation was needed, cost effective, and/or duplicative of what is already being done with the Tiger Team, and what all the bases are doing from an economic standpoint. He offered his understanding that HB 144 would create another state employee at the cost of over \$100 thousand a year. He commented that the U.S. congressional delegation was aware of these issues already. He stated that all base posts have housing officers that work with locals and the troops as to [procure housing]. As a United States Air Force noncommissioned officer(NCO) of 20 years stationed at Elmendorf and many other bases and having dealt with available housing and seeing the economies of those cities related to military, he stated that he cannot support adding a new commission at the cost and time that will be spent for duplication of efforts already being done.

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CHAIR TUCK, after ascertaining that there was no one else who wished to testify, closed public testimony on HB 144.

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REPRESENTATIVE HOPKINS in response to Representative Story, suggested someone may be available from the Office of the Governor to answer questions about the fiscal note.

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CAROLINE SCHULTZ, Policy Analyst, Office of Management & Budget, Office of the Governor, stated that the Office of the Governor and the Office of the Lieutenant Governor, in order to fully support the intent of the legislation and the commission as proposed, identified the need for an additional dedicated staff, not only to provide administrative services, but also to provide policy support, and the ongoing, targeted, policy-related direction at the statewide level. She said, "I think the position is required in order for this group, ... which only is required to meet four times per year, to have a year-round functioning ... policy directive."

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REPRESENTATIVE STORY discussed the idea that a position could be moved from the Division of Economic Development to include work on this commission. She asked if Ms. Schultz had any thoughts to add to the possibility of that working out.

MS. SCHULTZ answered that the division's team was already working more than full time. She said if the legislature chooses not to appropriate funding for an additional position to support this commission, then that would have to be considered. However, she argued that having this work compete with other priorities with the Office of the Governor would ultimately result in a less effective organization and the intent of the legislation being executed less thoroughly.

REPRESENTATIVE STORY commented her understanding that there is desire for all the military commissions to be working together as efficiently as possible. She said she would appreciate hearing back from the Office of the Governor regarding any concerns about the sources of staffing the commission.

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CHAIR TUCK noted that there was a draft amendment for consideration.

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REPRESENTATIVE NELSON moved to adopt Amendment 1, labeled 32-LS0486\I.1, Fisher, 4/14/21, which read as follows:

Page 2, line 28:

Delete **",quorum, and administrative support"**

Insert **"and quorum"**

Page 3, lines 4-5

Delete all material.

[1:43:50 PM](#)

CHAIR TUCK objected for purposes of discussion. He stated if the Office of the Governor isn't already doing this, it should have been doing it with its economic team. He argued that this is just formalizing it, and so he sees this as a part of that economic team's function already, not something additional. He said this can't be overlooked as an economic opportunity. He clarified that he didn't feel it was needed to add additional personnel, especially when the bill sponsor didn't ask for that, when the state has an economic team that has been put together to look at these kinds of issues already.

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REPRESENTATIVE RAUSCHER asked for clarification regarding Amendment 1.

REPRESENTATIVE NELSON said Amendment 1 would reflect what Chair Tuck said already, that an economic team should be focused on moving this. He said he didn't believe there needed to be a full-time person for this, as there already should be one focused on "putting military construction and the military economy up here in the state."

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CHAIR TUCK removed his objection. There being no further objection, Amendment 1 was adopted.

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REPRESENTATIVE STORY moved to report HB 144 out of committee, as amended, with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 144 (MLV) was reported out of the House Special Committee on Military and Veterans' Affairs.

[1:47:49 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at 1:48 p.m.